India, tax on sale or purchase of goods is a State subject. On the recommendations of the Chief Minister's Conference held on 22nd June, 2000, an Empowered Committee of State Finance Minister's has been constituted which is empowered to take decisions on various issues relating to VAT, including its introduction by States. This Committee has informed that Haryana has introduced a VAT regime with effect from 1.4.2003 and that 15 other States have also indicated their willingness to introduce VAT with effect from 1.6.2003.

(c) and (d) Since VAT is a State subject, the Union Government has not conducted any study in this regard.

(e) The Empowered Committee of the State Finance Ministers has not informed that any State Government has formally opposed the introduction of VAT.

Buy back of domestic debt

4122. SHRI K. RAHMAN KHAN : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that Government propose to buy back its domestic debt worth Rs. 40,000 crores in the next fiscal year from various banks at discounted premium; and

(b) if so, the details in this regard and the benefits likely to accrue therefrom to Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) Government propose to offer a buyback of high coupon relatively illiquid Government securities on voluntary basis during the current year. The participating banks will be allowed additional deduction for income tax purposes on premium received to the extent that such premium is used for provisioning for their non-performing assets. The scheme will enable the Central Government to reduce interest burden on the outstanding market loans.

Sub-Committee on printing of currency notes

4123. SHRI PREM CHAND GUPTA : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Reserve Bank of India had appointed a Sub-Committee which overruled the recommendations/suggestions of a High Powered Committee earlier formed by Government with regard to printing of currency notes in India; and

(b) if so, the reasons therefor?